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Programme budget for the biennium 2000-2001

Proposed programme budget for the biennium 2002-2003

United Nations common system

Administrative and financial implications of the decisions and recommendations contained in the report of the International Civil Service Commission for the year 2001

Statement submitted by the Secretary-General in accordance with rule 153 of the rules of procedure of the General Assembly

Summary

Pursuant to rule 153 of the rules of procedure of the General Assembly, the present statement is submitted detailing the administrative and financial implications of the decisions and recommendations of the International Civil Service Commission on the common system, in particular their implications on the programme budget of the United Nations for the biennium 2000-2001 and the proposed programme budget of the United Nations for the biennium 2002-2003. Recommendations and decisions of the Commission giving rise to additional requirements under the regular budget for the current biennium will be taken into consideration when computing the second performance report for the biennium 2000-2001. Recommendations and decisions of the Commission having an effect on the proposed programme budget for the biennium 2002-2003 will be reflected in the recosting of the proposed programme budget estimates prior to determination of the appropriation to be adopted by the General Assembly.

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I. Introduction

1. The twenty-seventh annual report of the International Civil Service Commission (ICSC)[1] contains a number of decisions and recommendations with financial implications for the regular budget for the biennium 2000-2001 and the biennium 2002-2003 related to the following issues (the numbers in parentheses refer to the paragraphs in that report):

(a) Conditions of service of staff in the Professional and higher categories:

(i) Base/floor salary scale and staff assessment scale (paras. 87-97);

(ii) Post adjustment matters (paras. 108-112).

(b) Conditions of service applicable to the General Service and related categories:

(i) Survey of best prevailing conditions of employment for the General Service and related categories in Rome (paras. 114-126);

(ii) Survey of best prevailing conditions of employment for the Trades and Crafts and the Language Teachers categories in New York (paras. 127-128).

II. Conditions of service of staff in the Professional and higher categories

A. Base/floor salary scale

2. The General Assembly, in section I.H. of its resolution 44/198 of 21 December 1989, established a floor net salary scale for staff in the Professional and higher categories by reference to the corresponding net salary levels of officials in comparable positions serving in the base city of the comparator civil service (the federal civil service of the United States of America). The base/floor salary scale was part of an integrated package of measures in which negative classes of post adjustment were eliminated. The base/floor scale is also used in the calculation of payments under the mobility and hardship scheme, as well as separation payments.[2] Adjustments to this scale have been made, since 1990, on 1 March each year from 1991 to 1995 and 1998 to 2001, and on 1 January 1997.

3. The General Schedule salary scale for the United States federal civil service in Washington, D.C., the current comparator, was increased by 3.81 per cent on a gross basis, effective 1 January 2001. This amount, combined with the effect of tax changes, resulted in a net increase of 3.87 per cent for the comparator officials at the GS-13/GS-14 levels, the reference point for comparisons between the General Schedule and the common system base/floor scale. In accordance with the approved procedures and past practice, this would call for an upward adjustment of the common system salary scale by 3.87 per cent. On that basis, the Commission, in its annual report for 2001, decided to recommend to the General Assembly an upward adjustment of 3.87 per cent for the common system scale, which should be implemented with effect from 1 March 2002. The increase of 3.87 per cent in the base/floor scale for 2002 would be implemented through the standard method of consolidating post adjustment multiplier points on a no-loss/no-gain basis.

4. The financial implications of the above-mentioned adjustment of the base/floor scale for the United Nations and other participating organizations of the common system have been calculated by ICSC as follows:

(a) For duty stations that would fall below the level of the new base/floor: $5,560,000;

(b) In respect to mobility/hardship allowance: $2,790,000;

(c) In respect to the scale of separation payments: $635,000.

5. The total annual financial implications for the United Nations and other participating organizations of the common system have been estimated at $8,985,000.

6. If the base/floor salary scale is adjusted on 1 March 2002, the financial implications for the United Nations regular budget for a 22-month period (1 March 2002 through 31 December 2003) have been estimated at $1,614,700.

B. Post adjustment matters

7. Comprehensive place-to-place surveys are conducted periodically at all duty stations by the ICSC secretariat. In 2000, place-to-place surveys were conducted in Berne, Geneva, London, Montreal, Paris, Rome, Vienna and Washington, D.C., in addition to which a price collection exercise was carried out in New York, the base of the post adjustment system.

8. The Advisory Committee on Post Adjustment Questions, at its twenty-fourth session in March 2001, examined the results of the surveys and made its recommendations to the Commission for consideration. The post adjustment multipliers resulting from the surveys conducted at the aforementioned locations were calculated, with effect as from 1 July 2001, based on the exchange rate applicable at those locations at that time.

9. Having examined the proposals of the Advisory Committee on Post Adjustment Questions, ICSC decided to approve the results of the 2000 place-to-place surveys for the above-mentioned duty stations and to take them into account in determining the respective post adjustment classifications with effect from 1 July 2001. The estimated financial implications based on the implementation of the survey results for the common system amount to $15 million for the period from July to December 2001. The financial implications for the United Nations regular budget for the same period have been estimated at $1,428,900 for the biennium 2000-2001 and at $5,801,200 for the biennium 2002-2003.

III. Conditions of service applicable to the General Service and related categories

10. The General Assembly, in section II, paragraph 2, of its resolution 52/216 of 22 December 1997, endorsed the recommendations of the Commission on refinements to and modification of the methodologies used in conducting surveys of best prevailing conditions of employment at Headquarters and at non-headquarters duty stations. On the basis of the revised methodology, the Commission, in 2000,

conducted surveys of best prevailing conditions of service for the General Service and related categories in Rome and in New York.

A. Survey of best prevailing conditions of employment in Rome

11. The Commission, on the basis of the revised methodology, conducted a survey of best prevailing conditions of service for the General Service and related categories of staff in Rome in November 2000. The survey result for staff of the Rome-based organizations indicated that the salary scale was on average 4.25 per cent higher than the current scale. In addition to recommending a new salary scale for staff in the General Service and related categories in Rome, the Commission also recommended revised rates for dependency allowances. The revised rates have been implemented effective 1 November 2000.

12. The annual financial implications for the United Nations common system with regard to the salary scale, including the increase in the level of dependency allowances for General Service and related categories of staff of the Rome-based organizations, have been estimated at $1,900,000.

13. The annual financial implications for the United Nations regular budget with regard to the approved survey for the General Service and related categories of staff in Rome, including the increase in the level of dependency allowances have been estimated at $13,700. The relating additional costs for a 14-month period of the biennium 2000-2001 (1 November 2000 to 31 December 2001) for the regular budget would amount to $16,000. The relating additional costs for the biennium 2002-2003 would amount to $27,400.

B. Survey of best prevailing conditions of employment in New York: Trades and Crafts and Language Teachers categories

14. In May 2000, the Commission conducted surveys of the best prevailing conditions of employment for staff in the General Service, Trades and Crafts, Security Service, Language Teacher and Public Information Assistant categories in New York. The results of the survey for the General Service, Security Service and Public Information Assistant categories were implemented, effective 1 May 2000. The implications of that implementation were reported to the General Assembly at the fifty-fifth session.[3] The survey for the Trades and Crafts and Language Teacher categories were not implemented at that time due to some concerns expressed by the Commission such as limited comparator-employer participation and comparability of job functions.

15. The salary increase that had been due to the General Service and related categories in New York as from January 2000, in accordance with the annual interim adjustment procedure, was implemented effective 1 January 2000, except for staff in the Trades and Crafts category.

16. At the time of the survey, the Commission noted that a very limited number of comparator employers had provided usable data insofar as the Trades and Crafts category was concerned. In this regard, the Commission decided at that time to allow its secretariat to continue data collection until such time as a reasonable number of employers had been surveyed to permit meaningful analysis of the data.

The Commission further decided that, as soon as the data had been received and analysed, the results of analysis would be presented to the Chairman of ICSC for final review and approval, as delegated to him by the Commission.

17. The survey for the Trades and Crafts category was completed in December 2000. In the final review of the data, the Chairman of ICSC, as delegated by the Commission, has concluded that the survey resulted in a 3.87 per cent increase in the salaries of staff in the Trades and Crafts category, effective 1 May 2000. The interim adjustment of 2.0 per cent, as applied to the General Service and related categories, was implemented for this group of staff, retroactive to 1 January 2000, and the balance of 1.78 per cent adjustment was applied to their salaries as from 1 May 2000.

18. With regard to the Language Teacher category, the Commission, in its twenty-sixth annual report, expressed concern regarding the comparability of job functions, curricula and related points of comparison between comparator institutions and the United Nations. ICSC therefore requested further details on the points of comparison for those employers already surveyed and suggested that some other comparators should be included in the survey. The Commission requested the United Nations at that time to continue the data collection and to present the information together with the survey results to the Commission at its next session for final review and approval.

19. At its 2001 session, the Commission considered the data collected for the Language Teacher category and concluded that the survey resulted in a 5.8 per cent increase in the salaries of staff in this category, effective 1 May 2000.

20. The annual financial implications with regard to the approved surveys for the Trades and Crafts and Language Teacher categories in New York have been estimated at $400,000. The relating additional costs for the regular budget in the biennium 2000-2001, based on the dates of implementation indicated in paragraphs 16 and 18 above, would amount to $334,300. For the biennium 2002-2003, the relating additional costs would amount to $374,400.

IV. Conclusions and recommendations

21. The financial implications for the regular budget resulting from the decisions and recommendations of ICSC are summarized below (in United States dollars):

A. Biennium 2000-2001

Conditions of service of staff in the Professional and higher categories	
Post adjustment matters (6 months, 1 July-31 December 2001) (para. 8)	$1 428 900
Conditions of service applicable to the General Service and related categories	
Rome (best prevailing employment conditions) (para. 12) (14 months, 1 November 2000 to 31 December 2001)	16 000
New York (Trades and Crafts and Language Teacher categories) (para. 19) (20/24 months, 1 January/1 May 2000 to 31 December 2001)	334 300
Total for the biennium 2000-2001	**$1 779 200**

B. Biennium 2002-2003

Conditions of service of staff in the Professional and higher categories	
New base/floor salary scale for duty stations that would fall below the new level/floor and other adjustments (22 months, 1 March 2002 to 31 December 2003) (para. 6)	$1 614 700
Post adjustment matters (24 months, 1 January 2002 to 31 December 2003) (para. 8)	5 801 200
Conditions of service applicable to the General Service and related categories	
Rome (best prevailing employment conditions) (para. 12) (24 months, 1 January 2002 to 31 December 2003)	27 400
New York (Trades and Crafts and Language Teacher categories) (para. 19) (24 months, 1 January 2002 to 31 December 2003)	374 400
Total for the biennium 2002-2003	**$7 817 700**

22. **Accordingly, the related requirements under the regular budget resulting from the recommendations and decisions of ICSC have been estimated to be in the order of $1,779,200 net of staff assessment for the biennium 2000-2001 and $7,817,700 net of staff assessment for the biennium 2002-2003. The requirements pertaining to the biennium 2000-2001 ($1,779,200) will be taken into consideration when computing the second budget performance report for the biennium 2000-2001. The additional requirements for the biennium 2002-2003 ($7,817,700) will be reflected in the recosting of the programme budget proposed estimates prior to determination of the appropriation to be adopted by the General Assembly.**

Notes

[1] *Official Records of the General Assembly, Fifty-sixth Session, Supplement No. 30* (A/56/30).

[2] Ibid., *Forty-fourth Session, Supplement No. 30* (A/44/30), vol. II, paras. 118, 119, 316 and 453 (g).

[3] A/55/629, part III.